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## Argentina

## Planting Seeds

## Annual

## 2006

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**Report Highlights:**

Calendar year (CY 2006) production of planting seed is forecast to increase, due to an increase in production area. Exports of Argentine planting seeds increased in CY 2005 due to the opening of the Paraguayan market for RR varieties. Overall, planting seed imports fell in CY 2005 greatly affecting imports of pasture seed from the United States. Uncertainties about the growth of the beef industry combined with a very profitable soybean business, limited the amount of improved pastures planted in 2005. Intellectual property rights and royalties on them are still unresolved issues that restrain investment in this important sector.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Annual Report  
Buenos Aires [AR1]  
[AR]

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**Production**

<b>Field Crops Planted Area (Ha.)</b>			
<b>Species</b>	<b>Planted area 2003/2004</b>	<b>Planted area 2004/2005</b>	<b>Planted area 2005/2006</b>
<b>Soybeans</b>	14,525,000	14,400,000	15,200,000
<b>Wheat</b>	6,040,000	6,242,000	5,037,000
<b>Corn</b>	2,988,000	3,350,000	3,050,000
<b>Sunflower</b>	1,850,000	1,970,000	2,241,000
<b>Oat</b>	1,344,000	1,275,000	1,020,000
<b>Sorghum</b>	545,000	617,000	550,000
<b>Rye</b>	340,000	294,000	207,000
<b>Cottonseed</b>	266,000	406,000	315,000
<b>Beans</b>	134,000	146,000	170,000
<b>Peanuts</b>	170,000	212,000	162,000
<b>Barley</b>	343,000	272,000	271,000
<b>Rice</b>	172,000	165,000	167,000
<b>TOTAL</b>	28,717,000	29,349,000	28,390,000

Source: Secretariat of Agriculture of Argentina (WWW.SAGPYA.GOV.AR)

**Consumption**

<b>Planting Seeds Domestic Consumption Volumes (MT)</b>			
<b>Species</b>	<b>2003/2004</b>	<b>2004/2005</b>	<b>2005/2006</b>
<b>Soybeans</b>	1,016,250	1,087,000	1,140,000
<b>Wheat</b>	649,000	665,500	553,300
<b>Corn</b>	51,840	54,000	54,000
<b>Sunflower</b>	8,100	8,550	9,900
<b>Oat</b>	117,000	117,000	91,800
<b>Sorghum Grain</b>	4,028	4,028	4,125
<b>Sorghum Forage</b>	4,200	4,200	3,840
<b>Linseed</b>	2,500	2,500	4,700
<b>Cottonseed</b>	8,120	8,120	8,880
<b>Beans</b>	13,000	8,450	9,425
<b>Peanuts</b>	13,600	13,600	16,200
<b>Barley</b>	37,490	37,490	33,350
<b>Potatoes</b>	200,000	200,000	105,000
<b>Rice</b>	28,900	28,900	28,390
<b>Vegetable Seeds</b>	1,085	1,085	00
	2,155,114	2,240,424	2,062,911

Source: Argentine Seeds Association (ASA)

## Trade

Exports of Argentine planting seeds in CY 2005 increased 40 percent to US\$56 million compared with US\$40 million in CY 2004. This is mainly the result of increases in soybean seed exports to Paraguay in CY 2005 valued at US\$11 million. Paraguay allowed the imports of genetically modified (GM) soybeans in 2005, explaining why exports from Argentina skyrocketed that year. Also, exports to the United States increased in CY 2005. In this case corn hybrids, soybean seed, and vegetable seeds are responsible for this increase. Off-season production of corn hybrids continued to be a good business. Corn seed sales to the United States went from US\$9 million in CY 2004 to US\$11 million in CY 2005 and soybean seed sales in the same period grew from US\$3 million to US\$4 million. Vegetable seeds also increased in CY 2005 to US\$1.5 million compared with US\$700,000 exported to the United States in CY 2004.

Argentine imports of planting seeds decreased from US\$45 million in CY 2004 to US\$39 million in CY 2005. The main supplier continued to be the United States with US\$16 million worth of shipments in CY 2005, a 12-percent decrease compared with the US\$18 imported in CY 2004. Fescue and rye grass were the most affected varieties with decreases of 34 and 52 percent, respectively. Alfalfa continued to be the most important seed imported in CY 2005 with US\$6.8 million. Rye grass and fescue imports from the United States declined around one million dollars each in CY 2005. Australia and Chile followed as the main suppliers of seeds for Argentina. Both exported seed valued at US\$8.0 and US\$4.0 million respectively in CY 2005. From Australia, alfalfa is also the main seed that comes to Argentina with shipments worth US\$7.5 million in 2005. In CY 2005 Chile exported corn hybrids, sunflower seed hybrids, vegetable seed, and clover for a value of approximately US\$800,000 each.

## Factors Affecting Industry Structure

### The Brown Bag Problem

The National Seed Law (§20247/1973) states that:

- Art. 20-26 - A person that has developed a new variety has the right to register it at the National Seed Registration Bureau and hold its property for a period that goes from 10-20 years.
- Art. 27 - Farmers are allowed to plant their self-produced seed for as many subsequent generations as they wish. However, they cannot trade it.

Traditionally, Argentine farmers have held grain saved from their own crops in their barns. This grain is processed and becomes seed for the next planting season. As they save more grain than they need for planting their fields, the surplus is traded as grain (=seed) among neighbors. Thus, the soybean seed enters the so-called informal commercial circuit or black market. This seed is commonly known as brown-bagged. Brown bags pay neither tax to the government nor royalties to the seed producing companies that hold property rights over those seed varieties. It is reckoned that 80 percent of soybean planting seed is traded in this way in Argentina. Almost 100 percent of the soybeans planted in Argentina are RR soybeans.

Crop Season	SOYBEANS AREA PLANTED / PRODUCTION				CERTIFIED MARKET		% Certified Market / Total Planted Area
	Area Planted	Area Harvested	Production	Yield	Volume	Tags	
	(M has)	(M has)	(M tons)	(tons/ha)	(M tons of seed)	(M Tags based on 50 kgs bag)	
1995/96	6.0	5.9	12.4	2.1	144	2.9	32.0%
1996/97	6.7	6.4	11.0	1.7	160	3.2	32.0%
1997/98	7.2	7.0	18.7	2.7	276	5.5	51.3%
1998/99	8.4	8.2	20.0	2.4	187	3.7	29.6%
1999/00	8.8	8.6	20.1	2.3	129	2.6	19.6%
2000/01	10.7	10.4	26.9	2.6	209	4.2	26.1%
2001/02	11.6	11.4	30.0	2.6	164	3.3	18.8%
2002/03	12.6	12.4	34.8	2.8	134	2.7	14.1%
2003/04	14.5	14.3	31.6	2.2	230	4.6	21.1%
2004/05	14.4	14.0	38.3	2.7	229	4.6	21.2%

Source: Secretariat of Agriculture of Argentina (WWW.SAGPYA.GOV.AR)

It is important to point out that not only the brown bag market damages soybean seed producers, but also wheat, oat, rye, pasture seeds, and any other seed producer that genetically improves self fecundated (autogamous) plant species in Argentina which can be planted generation after generation keeping the productive properties of its original seed. They are all subjected to the same legal environment.

### Resolution 71/2006

In order to give the privilege for the access to new technologies to the majority of the Argentine farmers, on February 17, 2006, the Secretariat of Agriculture of Argentina issued Resolution 71 that temporarily overrides two resolutions that rule over the right a company has to release and trade genetically modified seed in Argentina. That exemption is only for those corn varieties that carry the RR event known as GA21. With this decision the GOA gives the right to all planting seed companies that operate in Argentina to legally register their GA21 corn hybrids even when they did not discover the event.

In a press conference offered by the Argentine Seed Association (ASA), it was clear that any seed company who is ready to launch a new hybrid that contains the GA21 event has been working illegally prior to the issuance of resolution 71. ASA also stated that the quoted resolution harms those companies that have invested billions in developing new events and fosters the marginality in the Argentine seed market. While in order to register a genetically modified plant reproductive material in Argentina a seed company takes between 8 to 9 years, Resolution 71 will allow companies that never invested in the development of an event to do it in less than 90 days, the temporary period this rule will be enforced.

## Prices

Domestic Market	US Dollars per MT	ARGENTINA		
		December		
Species		2003	2004	2005
RR CORN		N/A	N/A	4173
CORN		3250	3250	3260
SUNFLOWER		3330	3612	3612
SORGHUM		1250	2000	2320
SOYBEANS		330	420	350
RR SOYBEANS		380	530	430
WHEAT DURUM		180	180	180
OAT		320	270	630
RYE		400	610	800
ALFALFA		3750	4070	4600
CLOVER		2470	2950	2850
FESCUE		1640	1420	1900
RYE GRASS		1610	1930	1700

EXPORT PRICES				
FOB Prices	US Dollars per MT	ARGENTINA		
		January – December		
Species		2002	2003	2005
CORN		1,350	1,390	1,270
SOYBEANS		350	350	430
SUNFLOWER SEED		3,560	3,700	3,870
SORGHUM GRAIN		1,250	1,380	1,360
RICE		170	1,630	2,580
WHEAT DURUM		210	200	190
WHEAT OTHER		230	300	310
OAT		180	0	270
BARLEY		520	780	320
RAPE / CANOLA		3,450	5,000	1,410
COTTON SEED		910	910	2,930
RYE GRASS		590	1,190	540
CLOVER		1,800	2,330	3,100
ALFALFA		2,790	4,140	2,930
FESCUE		0	1,610	1,430
VEGETABLES		21,410	24,780	19,220
FLOWERS		0	0	0

IMPORT PRICES				
CIF Prices	US Dollars per MT	ARGENTINA		
		January – December		
Species		2003	2004	2005
CORN		3,240	3,170	5,100
SOYBEANS		1,020	2,040	1,880
SUNFLOWER		1,640	1,860	2,370
SORGHUM GRAIN		1,310	1,410	1,210
WHEAT DURUM		590	350	440
BARLEY		3,100	1,120	480
WHEAT OTHER		1,200	630	510
OAT		370	260	210
RYE SEEDS		460	470	0
RICE		890	2,580	1,720
LINSEED		450	360	580
RAPE / CANOLA		31,720	29,490	21,670
SUGAR BEET		4,990	3,830	2,360
PEANUTS		1,020	1,040	0
COTTON		6,420	1,830	8,410
ALFALFA		2,130	2,690	3,250
CLOVER		1,680	2,140	2,590
RYE GRASS		650	730	750
FESCUE		950	1,010	1,180
KENTUCKY GRASS		2,430	2,230	2,060
VEGETABLES		24,110	33,640	28,720
FLOWERS		274,260	175,130	122,070

### Useful Contact Information

Secretariat of Agriculture, Livestock, Fisheries and Food of Argentina (SAGPyA) / National Seeds Institute (INASE) [www.sagpya.gov.ar](http://www.sagpya.gov.ar)

Argentine Seed Producers Association (ASA)  
Contact: Dr. Cecilia Roca, Phone Number: +54 11 4314-6677 Eml: [croca@asa.org.ar](mailto:croca@asa.org.ar)

Argentine Association for the Protection of Plant Property Rights (ARPOV) - [www.arpov.org.ar](http://www.arpov.org.ar)

Argentine Agricultural Research Institute (INTA) - [www.INTA.gov.ar](http://www.INTA.gov.ar)

Chamber of Seed Producers of the Argentine Grains Exchange Stock -  
[www.argenseeds.com.ar](http://www.argenseeds.com.ar)

Pioneer of Argentina - [www.pioneer.com/argentina](http://www.pioneer.com/argentina)

Monsanto of Argentina - [www.monsanto.com/argentina](http://www.monsanto.com/argentina)